e. Verizon's Help Desk Is Inadequate.

116. As part of its obligation to assist competing carriers to implement and use its OSS, a BOC must provide help desk support to competing carriers. NY Order ¶ 126 & n.361. In its NY Order, the FCC found Verizon's help desk to be adequate. Id. ¶ 127. Subsequent to release of the NY Order, however, the help desk's performance has been severely deficient. Indeed, on July 24, based on CLEC complaints about deficiencies in the help desk, Verizon created an entirely new help desk (in New Jersey instead of Maryland) with very different procedures. Unfortunately, in WorldCom's experience, the new help desk is performing poorly.

117. The new help desk, called the Wholesale Customer Care Center ("WCCC"), serves the entire Verizon region. This help desk is an expanded version of the Bell Atlantic Support System Help Desk ("BASS Help Desk") discussed by KPMG. It is responsible for assisting CLECs on all issues other than issues related to Verizon's graphical user interface ("GUI"). Verizon also has two separate GUI help desks, one for the North and one for the South, which provide assistance related to creation and submission of pre-order and order transactions through the GUI.

118. Verizon touts the performance of its help desks based on KPMG's conclusion that the help desks are performing adequately. (McClean/Wierzbicki Decl. ¶ 126.) But KPMG tested the old BASS Help Desk, not the new WCCC help desk, and, in any event, KPMG's underlying data belie its conclusion. KPMG found that it took Verizon more than 28 days to resolve 14% of the critical issues and 22% of the major issues reported to the BASS Help Desk. Id. ¶ 609. It took Verizon 7 to 27 days to resolve another 16% of critical issues and

22% of major issues. Id. Although KPMG provides explanations for why Verizon may have taken so long to close some of the trouble tickets, it does not attempt to quantify the degree to which delay is attributable to these explanations. In WorldCom's experience, such delays are generally Verizon's fault.

119. With respect to the GUI help desk, which provides assistance related to creation and submission of pre-order and order transactions through the GUI, KPMG found that Verizon took more than 2 days to resolve 39% of the issues, and more than 9 days to resolve 14% of issues. Id. ¶¶ 163, 170-172.

120. KPMG's data showing poor help desk performance is consistent with WorldCom's experience. The help desk is supposed to facilitate efficient resolution of problems. Instead, the help desk is frequently a roadblock to such resolution. This was true with the old help desk and continues with the new help desk. When WorldCom calls to report troubles, such as receipt of rejects with error codes that it does not understand, or connectivity failures between WorldCom and Verizon interfaces, the help desk often promises to get back to WorldCom with a response but then fails to respond entirely. WorldCom is unable to talk to the Verizon technical experts directly. WorldCom therefore must often escalate problems to higher levels within WorldCom and Verizon before a problem is resolved. This is obviously not an efficient way of doing business. Moreover, sometimes the help desk refuses to open trouble tickets altogether. This happens frequently when WorldCom calls to report outages, for example, which not only delays resolution of the problem but also artificially inflates Verizon's performance on measures affected by the number of tickets submitted.

121. Recent examples show the problems WorldCom is encountering with the WCCC help desk. First, in Pennsylvania, Verizon has been returning invalid EDI characters on some transactions (generally order rejections that Verizon has manually processed). These invalid characters have precluded the transactions from flowing through on WorldCom's side to the appropriate error correction group. Instead, WorldCom is forced to manually go into its systems transaction-by-transaction to change the characters. WorldCom submitted a trouble ticket for this problem on August 30 (ticket 55307). It has not yet been resolved. WorldCom escalated the problem the week of September 4 based on Verizon's designated escalation procedures. WorldCom repeated these escalation procedures (which basically involve another call to the help desk) every business day thereafter until a September 12 meeting in which WorldCom escalated the problem to the director level. Subsequently, on September 18, Verizon EDI specialists met with WorldCom to discuss the problem. Verizon agreed at that meeting to get back to WorldCom to identify the source of the problem and discuss a resolution. Verizon did not do so. Only after WorldCom again called Verizon, did Verizon finally respond on October 2. Verizon informed WorldCom that the problem was caused by manual errors. Verizon representatives were hitting the return key when typing error messages; they were supposed to let messages "wrap around" without hitting the return key. Verizon stated that it would retrain its representatives. WorldCom does not yet know whether this retraining will be effective.

122. Second, in New York, WorldCom recently encountered a problem in which Verizon was unexpectedly returning some EDI transactions with an incorrect date format

(different than occurred on other Verizon transactions, on past transactions, and in Verizon's documentation). This incorrect date format caused the transactions to fail on WorldCom's side and made it impossible for WorldCom to resubmit the transactions until the problem was resolved. WorldCom submitted a trouble ticket regarding this problem on August 23 (ticket 47693). It then called the help desk to escalate the problem on August 25 according to Verizon's designated procedures. WorldCom repeated this process every business day between August 25 and September 12. At a September 12 meeting WorldCom escalated the problem to the director level. The problem was finally resolved on September 16.

123. Third, Verizon is performing poorly in resolving trouble tickets related to missing notifiers. Verizon has a special group within its help desk dedicated to resolving such tickets. When CLECs submit a ticket listing notifiers that are missing, Verizon is supposed to send these notifiers within three days (reflow the notifiers). Verizon does generally contact the CLEC within 3 days to tell it the status of the notifiers. But Verizon then does not generally follow up thereafter to provide a status on notifiers that remain missing. WorldCom must call back to follow up on the status of these notifiers. It often takes long period of time before WorldCom receives the missing notifiers. Thus, on August 27 WorldCom opened a trouble ticket (ticket 80390) for 43 missing BCNs, all of which were still missing as of September 27. On September 11, WorldCom opened a trouble ticket (ticket 65847) for 330 missing BCNs, 255 of which were still missing as of September 27. A complete list of trouble tickets outstanding as of September 27 is attached as Attachment 9. WorldCom's experience in New York is similar.

WorldCom currently has been missing some notifiers since June despite meeting with Verizon every week to attempt to resolve all notifier problems. (Att. 9.)

124. Thus, despite its New York experience, Verizon still seems to lack internal audits and controls that provide it with visibility to failed orders. Essentially, WorldCom is going through the same thing in Pennsylvania that we went through in New York. It appears that once again Verizon does not focus on missing notifiers until we complain repeatedly. It has taken us weeks to get Verizon to recognize, admit to and address the issue. Verizon needs end-to-end controls but it lacks them.

125. WorldCom's experience in this regard is similar to KPMG's experience. During its Massachusetts test, KPMG submitted trouble tickets on the notifiers it was missing but still did not receive those notifiers. (Aug. 29 Tr. at 3303 (VZ-MA App. B, Tab 547).) Nonetheless, Verizon has refused even to import into Massachusetts the New York performance measure tracking the percent of missing notifiers cleared within three days of receipt of the trouble ticket. (PO 9-01.)

126. Moreover, when Verizon does reflow notifiers, it frequently reflows the wrong thing. For example, it may reflow the FOC on a particular order rather than the missing billing completion notice, or, when multiple versions of an order have been submitted as a result of rejects or other reasons, Verizon may reflow the notifier for an older version of the order, rather than the current version. WorldCom must then start over again the process of attempting to obtain the correct notifier.

127. The poor performance of Verizon's help desk leads to the persistence of problems that do arise. This has a significant negative impact on CLEC customers as well as on CLECs themselves. It also forces CLECs to spend far too long attempting to resolve the problems. On those occasions when Verizon does respond to a trouble ticket and resolves the issue, it often fails to provide a root cause analysis. Thus, WorldCom has no assurance that the problem has actually been identified and will not recur.

128. WorldCom has long advocated a help desk responsiveness metric, simply because it does not matter how quickly someone answers the phone to take a question if the answer to the question itself is more than a week in coming. In the New York retest for the failure in help desk responsiveness, a 24 hour benchmark for severity 1 issues, and a 48 hour benchmark for severity 2 issues, met 90% of the time, was used (something KPMG did not apply during Massachusetts testing). In addition, the FCC Consent Decree signed by Verizon regarding missing notifiers requires that trouble tickets concerning missing status notices opened at Verizon help desks be resolved in three days. In re Bell Atlantic-New York Authorization Under Section 271 of the Communications Act to Provide In-Region, InterLATA Service in the State of New York, Order And Consent Decree, 15 F.C.C.R.. 5413 (2000). But Verizon has no help desk responsiveness metric in Massachusetts. Indeed, it does not even appear to fully track that performance internally. It tracks only the responsiveness of front-end help desk employees, not the TISOC experts who generally are responsible for ultimate resolution of the problems. (Final Report at 166, 170-71 (POP 5-6, 5-19, 5-23) (VZ-MA App. I, Tab 1); Aug. 28 Tr. at 3213-14 (VZ-MA App. B, Tab 545).)

ii. Verizon's GUI Is Often Unavailable.

129. In addition to documentation and change management problems and other problems associated with inadequate assistance to CLECs, Verizon's OSS suffers from other key operational defects. To begin with, Verizon's pre-order OSS is unavailable far too much of the time.

130. WorldCom relies on Verizon's GUI to perform several key pre-order functions. (It uses EDI to perform other pre-order functions.) At present, WorldCom also relies on the GUI for maintenance and repair functions. If WorldCom is unable to access Verizon's OSS through the GUI, WorldCom cannot sell new service or easily transmit requests for repairs. Moreover, WorldCom must pay the employees who are supposed to be performing these tasks even though they are unable to do so because the GUI is down. As the FCC explained, "A stable, reliable pre-ordering interface is necessary for competing carriers to market their services and serve their customers as efficiently and at the same level of quality that Verizon provides to itself." NY Order ¶ 154.

131. The FCC found that the New York Commission's standard of 99.5% availability during prime time hours was "a reasonable and appropriate measure of whether Verizon's interfaces are sufficiently available to afford an efficient competitor a meaningful opportunity to compete." NY Order ¶ 155. 99.5% is an appropriate standard, and in calculating that percentage, availability of the back-end OSS accessed through the interfaces, as well as availability of the interfaces themselves, must be taken into account. The unavailability of the back-end OSS affects CLECs in the same way as the unavailability of the interface itself. Under

ordinary expectations concerning systems availability, it is reasonable to expect the interface and OSS to be available 99.5% of the time -- especially during the day. Any scheduled outages should occur from midnight to 6 a.m. when systems are not used as frequently.

132. Verizon contends that it is reasonable that it does not include availability of the back-end OSS in its measurement of systems availability because outages of back-end OSS affect Verizon retail as much as CLECs. But this is not so. It is CLECs, far more than Verizon, that are trying to expand their base of local customers. Thus, it is far more important to CLECs than to Verizon to have continuous access to pre-order functions. In addition, many of Verizon's outages occur at times such as evening hours, when CLECs, but not Verizon retail, are attempting to market service to customers. For CLECs such as WorldCom, evening hours and weekends (including Sundays which are excluded from the measurement of prime time availability) are prime time in a way they are not for Verizon. Finally, CLECs have to contend with back-end and front-end availability problems, Verizon only back-end.

133. The FCC found that Verizon met New York's 99.5% standard during July through September of 1999. NY Order ¶ 156. Yet in subsequent months, Verizon has come nowhere close to providing 99.5% availability of its pre-order OSS -- at least when availability of the back-end OSS is taken into account. Indeed, during state proceedings, Verizon acknowledged that the GUI itself had been going down too frequently. (This was so even though Verizon's performance data showed that GUI availability ostensibly had been very high.)[11]

11 KPMG concluded that Verizon's GUI met the required standard of availability. But KPMG did not evaluate the trouble tickets submitted by CLECs. (Aug. 28 Tr. at 3130-31 (App. B, Tab 545).) It also did not test the availability of the back-end OSS. Id. at 3185.

Verizon stated that it had resolved these problems through fixes implemented in May and June. It makes the same claim here. (McLean/Wierzbicki Decl. ¶ 32.) However, KPMG never tested whether these fixes worked. (Aug.28 Tr. at 3132 (VZ-MA App. B, Tab 545).)

134. Moreover, WorldCom has experienced significant ongoing problems accessing OSS through the GUI both before and after Verizon implemented its fixes. In November, 1999, WorldCom was unable to access OSS through the GUI for unscheduled reasons 42 times and in December 26 times.[12] (There have been some specific New England outages as well, but WorldCom has not tracked these.) The problem persisted in 2000. WorldCom was unable to access OSS through the GUI for unscheduled reasons 31 times in January, 20 times in February, 42 times in March, 23 times in April, 22 times in May, and 19 times in June – a total of 225 unscheduled outages in eight months, or more than one per day. Between November and June, there were 328 hours and 56 minutes of unscheduled outages including only prime time hours – over 90 minutes per day during prime time.[13]

135. In addition, in recent months WorldCom began noticing that Verizon was frequently taking the GUI (or back-end OSS) down deliberately for maintenance and upgrades. WorldCom began tracking scheduled outages in April. There were four scheduled outages in

12 It is difficult for WorldCom to separate out GUI outages from back-end OSS outages. Even Verizon's scheduled outage notes provide information such as Verizon North and South PA and NY GUI & EDI will be taken down at 11 PM EST. It is hard for WorldCom to know if this is a front-end or back-end outage.

13 This is actually underestimated because WorldCom does not have data on the duration of some of the earlier outages.

April, nine in May and nine in June. In these three months alone, there were 94 hours of scheduled outages during prime time hours.

136. In total, between November and June, WorldCom's data show that the GUI (or back-end OSS) was down for at least 422 hours and 56 minutes during prime time hours. This corresponds to only 88.9% availability during prime time hours – far less than the FCC deemed acceptable. (Availability was only 88.2% if measured all the way through October 8, 2000.) Indeed, if Verizon had met the 99.5% standard, the GUI would have been unavailable for just over 19 hours. Moreover, the 422 hour figure significantly understates the period in which the GUI was unavailable, because (1) WorldCom did not begin tracking <u>scheduled</u> outages until April, and (2) WorldCom has no data on the length of a number of the outages for which it has records. In June, a month that had somewhat fewer outages than earlier months but a month for which WorldCom has complete data, the GUI was available only 83.6% of the time. The GUI was unavailable for 76.76 prime time hours. Each of the 17 GUI outages that occurred during prime time hours in June therefore averaged over 4.5 hours.

137. Since Verizon implemented its last fix to the GUI on June 26, 2000. WorldCom had continued to experience problems accessing Verizon's OSS through the GUI. WorldCom's logs show outages on June 27, June 29 and 30, July 1, 8, 15, 20, 21, 22, and 23, 2000.

138. The situation has not improved since July. It is impossible to assess Verizon's performance during the time of the Verizon strike because WorldCom was not attempting to access the GUI to reserve telephone numbers (a primary function for which

WorldCom uses the GUI). (Verizon was not offering new installations of service which require telephone number reservation.) Moreover, Verizon presumably was not scheduling maintenance because it did not have personnel available to perform the maintenance. Since the time of the strike, however, Verizon's performance is no better than before the strike. From September 16 through October 8, WorldCom was only able to access Verizon's OSS through the GUI 88.2% of the time. The GUI was unavailable for 42 hours and 33 minutes during prime time in this period. The down time includes three unscheduled outages (two of which, on September 27 and October 2, appear to be outages of the GUI itself) and five scheduled outages (two of which, on October 5 and October 7, appear to be outages of the GUI itself). This is shown in the accompanying attachment which provides a daily breakdown of outages between November 1999 and October 2000. (Att. 6.) It lists every day in those months, whether there was a scheduled or unscheduled outage during prime time hours on that day, and the duration of the outages during prime time.

139. WorldCom's data is from New York, where WorldCom is in the market, not Massachusetts. Many of the outages WorldCom experienced affected Massachusetts as well as New York. But sometimes back-end systems are down in New York but not Massachusetts and sometimes the reverse. There is no reason to think that Verizon's performance is any better with respect to Massachusetts than New York. Verizon does not provide any data on OSS availability in Massachusetts that includes the availability of back-end OSS. Moreover, its reports of the availability of the front-end GUI are unreliable. As noted above, these data showed high availability even during the time period when Verizon acknowledges there were problems. In part this is because while Verizon calculates GUI availability based both on mechanical tests

and trouble tickets submitted by CLECs, Verizon discounts the trouble tickets reported by CLECs. If a trouble ticket is submitted by only one CLEC, Verizon calculates availability as if only that CLEC experienced the outage. Guerard/Carny Decl., Att. B, P0-2. This is so even though it is almost certain that the outage was not limited to the particular CLEC.

140. In addition to down time during prime time hours, Verizon frequently brings the systems down on Sundays. For example, in June, the GUI was down for 1 hour 17 minutes on June 11, all day on June 18, and 3 hours on June 25. Sundays are defined as non-prime time hours. Yet CLECs such as WorldCom sell service on Sundays. As a result, such outages affect CLECs but not Verizon which does not sell service on Sundays.

141. Thus, the GUI is down frequently and when it is down the outages are lengthy. This costs CLECs potential customers because they cannot sell service during these periods. It harms and angers existing customers who cannot obtain timely repairs. And it causes CLECs to waste significant resources waiting for the GUI to come back on line. This is a major impediment to competition. Simply put, until Verizon meets a 99.5% availability standard for pre-order systems, including the back-end OSS, its section 271 entry should be denied.

iii. Verizon's SMARTS Clock Does Not Work as Promised.

142. Among the key pre-order functions the FCC has recognized is due date availability. LA II Order ¶ 94. Before CLECs place an order with a BOC, they must determine what due date to request. This is in part determined by the needs of their customer. But it is also determined by when the BOC can fulfill the order. For new installations, this date depends on the availability of BOC representatives to visit the premises to install the service. The pre-order

due date function, which in Verizon's region is known as the SMARTS Clock, enables CLECs to determine what times and dates the BOC is available to install service. Verizon generally should be able to install new lines for UNE-P customers by no later than 5 days from the order.

143. Verizon's SMARTS Clock often returns installation times of significantly greater than 5 days. WorldCom raised this issue with Verizon on March 29, 2000. Verizon provided its only substantive response in a May 26 letter to the New York Commission. In that letter, Verizon acknowledged that "there were discrepancies between those appointments being given by the SMARTS Clock to Verizon Retail customers and those CLECs requesting appointments through the WEB GUI." Verizon attributed the problem to a glitch in its February software release. Verizon explained that it implemented a fix for this problem on the weekend of April 16, 2000.

144. Yet the SMARTS Clock continues to return due dates of more than 5 days on a very high percentage of orders. This is shown in charts we have attached with daily tracking of SMARTS Clock requests in New York and Pennsylvania. (Att. 7.) It is not clear to WorldCom whether a flaw remains in Verizon's systems or whether Verizon simply has a staffing problem that is precluding it from installing service within five days. However, it is clear that Verizon continues to provide WorldCom with unacceptably long provisioning intervals. Until this is remedied, CLEC customers will continue to face provisioning delays – for which they will inevitably blame the CLEC.[14]

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14 Such delays are not captured in the performance measures, because when CLECs obtain a due date from the SMARTS Clock, they must request that due date. Verizon then meets the requested due date and appears to be providing good service. This is so even though the

iv. Verizon Is Not Providing Telephone Numbers On Many Inquiries.

145. Recently, in both New York and Pennsylvania, WorldCom has begun receiving the message telephone numbers unavailable when it attempts to reserve telephone numbers through the telephone number reservation function. This is happening on a relatively frequent basis. WorldCom is only beginning to track the issue and attempt to resolve it with Verizon but this issue has the potential to be significant.

v. Verizon's Ordering and Provisioning Interfaces Are Deficient.

146. Verizon's ordering and provisioning systems also have important deficiencies. The FCC has treated the notices a BOC returns to CLECs, such as FOCs, as part of the provisioning process. Verizon does not have adequate processes for returning two key types of notices: line loss notifications and jeopardy notifications. Verizon also continues to cut off service for customers who have already migrated to WorldCom as a result of past payment problems with Verizon. Although all of these problems are ones WorldCom has experienced in New York, they are all systemic issues and there is every reason to expect the same problems to exist in Massachusetts.

a. Verizon's Process of Line Loss Notification Is Deficient.

147. Verizon continues to have significant difficulties with transmission of accurate line loss reports in New York. A line loss report informs a CLEC when one of its customers has migrated back to Verizon or to another CLEC. Until the original CLEC receives the line loss report, it does not know to stop billing the customer. Without timely line loss

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SMARTS Clock provided an unacceptably long interval in the first place.

notification, therefore, the customer will be double billed. Thus, as the FCC has recognized, "failure to provide loss notification reports may impact customers and impede a competitive carriers' ability to compete." TX Order ¶ 193. KPMG did not test Verizon's process of loss notification even though CLECs repeatedly asked the Massachusetts DTE to have KPMG do so.

148. Over the last year, WorldCom has encountered a number of different problems with Verizon's line loss reports (for WorldCom customers in New York). For example, Verizon has transmitted line loss notifications for customers that WorldCom has not lost and, on other occasions, has transmitted notifications with incorrect dates for the loss. Although Verizon appears largely to have fixed those two problems with line loss reports, they are indicative of the fact that Verizon is having problems with these reports. Indeed, other problems continue. WorldCom conducted an audit of the line loss data report that Verizon transmitted for March and April, 2000. This audit revealed 1,289 lines that Verizon listed as losses that WorldCom had no record as ever having been WorldCom customers. After extensive research with Verizon, WorldCom learned that the source of the problem was that Verizon was transmitting loss notification on Ringmate lines, lines that are not billed and therefore should not be on the report. When WorldCom receives a line loss report for a line that is not in its records, its error processing team must work the issue to determine whether it is Verizon's error or WorldCom's error. This takes a significant amount of time and effort. Verizon promised to fix the Ringmate problem the weekend of September 30; WorldCom does not yet know whether this supposed fix has been successful.

149. In mid-September WorldCom found that Verizon also sometimes transmits loss notifications for a customer's prior lines. In other words, if a customer with a particular telephone number migrates to WorldCom and later migrates away from WorldCom, Verizon sometimes transmits a loss notification both for the customer's current line and for lines the customer used to have – lines that were never migrated to WorldCom in the first place. This causes significant confusion on WorldCom's part in attempting to track down why it is receiving loss notifications for lines that it (correctly) believes have never been WorldCom lines.

150. Verizon also continues to fail to transmit some line loss reports for customers who actually have migrated to another carrier. Although the numbers of such mistakes may be small, the impact is high. The customer receives bills from both WorldCom and the customer's new carrier until the customer realizes the mistake and calls in anger to complain. Verizon notified CLECs of a software fix for this problem, as well as the problem related to Ringmate lines on the line loss reports, on October 11, 2000, but this has yet to be tested in commercial production.

151. The ongoing and varied nature of the problems with line loss reports suggests they are likely to continue to pose problems. Verizon must demonstrate that it can provide these reports in a reasonable and non-discriminatory manner. Yet line loss reports were not tested by KPMG. Nor does Verizon have a performance metric demonstrating the timeliness and accuracy of these reports.

b. Verizon Has An Ongoing Problem With SNPs.

152. Verizon's OSS also contains an important defect that has not yet been addressed in any section 271 proceedings before the FCC. That defect did not become apparent until after the FCC released its NY Order. Verizon has frequently suspended the service of CLEC customers in New York for non-payment of bills to Verizon – bills for Verizon service prior to migration. The customers may lose dial tone altogether or may simply lose their ability to make outbound or receive inbound calls. When this occurs, the customer blames WorldCom because it is WorldCom that is the customer's current provider. Verizon has "snipped" more than 300 WorldCom customers this year alone. (Att. 8.) This is entirely inappropriate. Once a customer has migrated to a CLEC, Verizon should have no control over that customer.

153. WorldCom first raised this issue with Verizon in March 1999. Despite WorldCom's repeated requests for a solution, Verizon consistently responded to WorldCom without a plan for remedying the problem. After fourteen months and after WorldCom was compelled to bring the issue to the attention of the New York Commission, Verizon finally attempted to resolve the problem. Verizon claimed that it implemented a manual fix on May 23 and a software fix in August. Unfortunately, if that is so, these fixes have not been successful. Since the May 23 fix, Verizon has snipped approximately 65 additional customers, including 10 in September. (Att. 8.) This activity simply must stop.

c. Verizon's Flow Through Levels Are Inadequate.

154. Verizon continues to process too many orders manually in New York and processes an even higher percentage of orders manually in Massachusetts. Manual processing of orders inevitably results in delays and errors. Indeed, during the KPMG test, Verizon attributed many of the errors found to manual mistakes. Verizon has also attributed many of WorldCom's missing BCNs in Pennsylvania to manual errors.

155. The FCC has found "a direct correlation between the evidence of order flow-through and the BOC's ability to provide competing carriers with nondiscriminatory access to the BOC's OSS functions." LA II Order ¶ 107. Although the Commission approved section 271 applications in New York and Texas with less than perfect flow through, it did so because significant commercial experience showed that the BOC was capable of handling increasing order volumes with existing levels of manual processing. Verizon cannot make such a showing in Massachusetts where commercial experience remains minimal. Critically, Verizon has different work centers to process manual orders for Massachusetts than for New York. (McLean/ Wierzbicki Decl. ¶ 56). Thus, even if Verizon is correct that the same order types that flow through in New York will also flow through in Massachusetts (McClean/Wierzbicki Decl. ¶ 46), there is no way of knowing that the impact of orders that fall out will be the same in Massachusetts as in New York – especially since manual errors contributed to problems with missing notifiers in New York during early stages of competition and are now doing the same in Pennsylvania. Moreover, actual flow-through rates are lower in Massachusetts than they were in New York or Texas at the time of those applications, with a much lower volume of orders.

156. In July, Verizon's flow through rate for UNE-P/special services was under 40%. Indeed, it was under 50% even for simple flow through that includes only POTS orders. Guerard/Canny Decl. Att. 3 (OR-5). For resale, Verizon's flow through was also under 50% for both total and simple flow through. Id. Verizon fails to report any results for achieved flow through – an evaluation of the percentage of orders that flow through of those designed to flow through (excluding those with CLEC errors). In New York, Verizon has repeatedly paid fines for failing to meet the benchmark for achieved flow through.

157. Attempting to make an asset of the low UNE-P order volume in Massachusetts, Verizon attempts to blame the low UNE flow through rate on the fact that it has not received many UNE-P orders. It claims that when the UNE orders are separated into UNE loop and UNE-P, the orders flow through at a rate as high as in New York at the time of that application. (McLean/Wierzbicki Decl. ¶ 46.) However, Verizon does not separate UNE-P and UNE-L numbers in its performance reports, and KPMG did not evaluate Verizon's claim. In any case, as we explained above, low flow through rates in Massachusetts are even more troubling than in New York given Verizon's limited commercial experience in Massachusetts.

158. KPMG's evaluation of commercial orders further demonstrates Verizon's poor performance with respect to flow through. KPMG found low flow through in its random sample of New York and Massachusetts commercial orders.[15] KPMG found that only 59% of the

15 KPMG included New York orders to increase sample size because of the limited amount of CLEC activity in Massachusetts. Final Report, at 65 n.42 (App. I, Tab 1.)

sampled orders that were supposed to flow through actually did so, and that only 35% of total orders flowed through. Final Report. at 126. This is an extremely poor flow-through rate.

159. Verizon points to the high rate of flow through found by KPMG in its test of achieved flow through – a test of KPMG orders designed to flow through. McLean/ Wierzbicki Decl. ¶ 48. But as we just noted, for real commercial orders – even limited to those orders designed to flow through – Verizon's performance was poor. Verizon attempts to blame poor flow through of commercial orders on CLEC errors. But when KPMG analyzed its sample of commercial orders and removed those with CLEC errors, 43 of 105 still did not flow through. (Aug. 28 Tr. at 3291-93 (VZ-MA App. B, Tab 545).) Verizon failed to provide KPMG with an explanation as to why the orders that failed to flow through fell out for manual processing even though KPMG requested such information. (Aug. 28 Tr. at 3178 (VZ-MA App. B, Tab 545).) Presumably Verizon did not share this information because it would have shown systems defects precluding flow through.

160. Verizon's attempt to blame CLEC errors for poor flow through also makes little sense in light of the fact that when CLECs submit orders with errors, those orders are generally rejected. Such orders do not effect Verizon's flow-through performance. (Aug. 22 Tr. at 2949 (VZ-MA App. B, Tab 538).) Verizon's attempt to blame CLEC errors for poor flow through is also troubling in light of the fact that Verizon has failed to report any data for achieved flow through in its monthly performance reports – data that would help show whether orders that are supposed to flow through are actually flowing through.

161. Other explanations Verizon offers for its poor flow through level actually demonstrate the existence of a problem. Verizon says that CLEC orders do not flow through when there are "optional calling plans or contractual arrangements." (McLean/Wierzbicki Decl. ¶ 49). But these orders should flow through. Indeed, in New York, when it was determined that such orders were a major source of fall out, Verizon promised it would make orders with special contractual arrangements flow through. Verizon also contends that many orders drop out because CLECs supplement the orders after they have initially submitted them. (McLean/Wierzbicki Decl. ¶ 51). But the fact that CLECs frequently supplement orders is exactly why such orders should flow through. Verizon promised in New York that by May 2000 it would ensure flow through of at least some supplemental orders – those to cancel UNE-P orders. (Aug. 22 Tr. at 2952-23 (VZ-MA App. B, Tab 538).) It did not do so, however. Now Verizon claims that in August 2000, several months after the promised date, it implemented part of its promised fix – enabling supplements to cancel UNE-P orders to flow through in LSOG 2 "when there is no pending order in our internal service-order systems." (Aug. 22 Tr. at 2952 (VZ-MA App. B, Tab 538).) Verizon claims it will implement the same partial fix for LSOG 4 in October. Id. There is no evidence, however, that even the August fix, let alone the October fix, is now working. In any event, these fixes resolve only part of the problem. Certainly, Verizon should not be able to escape blame for poor flow through on the basis that it failed to ensure flow through of supplemental orders.

162. In addition, although KPMG's test of achieved flow through (not its evaluation of commercial orders) revealed relatively high flow through numbers, that test did

show that some order types designed to flow through according to Verizon's documentation did not in fact flow through. KPMG deemed Verizon's performance satisfactory, however, after Verizon changed the definition of what should or should not flow through. For example, KPMG found that hunting scenarios that were supposed to flow through according to Verizon's documentation did not. Rather than changing the systems to make sure hunting scenarios flowed through, Verizon changed its documentation to indicate that these scenarios would not flow through. Final Report at 123 (POP 3-1) (VZ-MA App. I, Tab 1). Similarly, KPMG observed that EEL disconnects and CLEC to CLEC loop migrations did not flow through. (Id. at 124-25 (POP 3-3); Aug. 28 Tr. at 3261 (VZ-MA App. B, Tab 545).) In addition, orders for UNE loops with LNP, orders to disconnect UNE-P single line residential customers, and orders to disconnect two-wire loops, for example, did not flow through, contrary to Verizon's documentation. (Observations 85, 106, 73 (Att. 4).) KPMG closed two of these observations (73 and 85) after Verizon updated the documentation; in other words, Verizon has now documented that the orders do not flow through. (Att. 4) KPMG closed Observation 106 after Verizon attributed the lack of flow through to a rare application error and to a manual error by a Verizon representative. KPMG did not conduct a retest to determine if the orders were now flowing through. Verizon must be required to improve its systems rather than change the rules by which its systems are measured.

163. It is essential to note not only that Verizon's flow-through performance is inadequate, but also that Verizon does not provide parity. KPMG confirms that Verizon acknowledges that four scenarios that KPMG submitted to it flowed through in the retail

environment but not in the wholesale environment. Final Report at 127 (VZ-MA App. I, Tab 1). These scenarios were hunting and Ringmate scenarios -- important orders types that should flow through. (Aug. 28 Tr. at 3179 (VZ-MA App. B, Tab 545).)

164. Verizon is therefore likely to manually process a high percentage of orders. This will inevitably lead to errors and delay. Especially in states such as Massachusetts, where the BOC has not proven that it can minimize this delay and errors with commercial volumes of orders, section 271 approval should be denied until flow through is much higher.

vi. Verizon's Billing Processes Are Inadequate.

165. The billing function encompasses several different sub-functions, including daily usage reports that provide the information required to enable CLECs to bill their end users, and monthly bills detailing what the CLEC owes the ILEC. It is critical that a CLEC receive all types of billing information in a manner that is timely, accurate, complete, properly formatted, and verifiable. Verizon is not meeting these requirements.

166. Although the FCC found Verizon's billing systems in New York to be adequate largely based on KPMG's finding of accurate billing, (NY Order ¶ 227), Verizon's billing systems are significantly different in Massachusetts, and in Massachusetts KPMG found numerous problems related to inaccurate billing. Moreover, WorldCom's continued experience in New York has revealed the existence of other significant billing problems.

167. First, when billing CLECs for unbundled loops they have ordered, Verizon transmits those bills only on paper. It does not transmit those bills electronically anywhere in its region. This is a serious problem. WorldCom cannot readily audit or validate paper bills.

WorldCom thus has no efficient way to determine whether Verizon is overcharging it for loops it has ordered.

168. Ten months ago, in January 2000, Verizon sent a letter to CLECs stating that electronic bills were available for all service delivery methods including unbundled loops. Both before and after this letter, WorldCom repeatedly requested electronic bills in meetings with Verizon. Finally, in July 2000, Verizon stated it would provide the electronic bills once WorldCom gave it a list of Billing Account Numbers ("BANs") that WorldCom wanted transitioned from paper to electronic format. WorldCom provided the list and Verizon said it would provide electronic bills in September. But when WorldCom received the September bills, the BAN it had provided were not on the bills. WorldCom and Verizon have now scheduled a meeting to further discuss the problem. For now, however, there is no resolution. Moreover, the ten months of effort since Verizon announced the availability of electronic bills demonstrates the difficulty in dealing with Verizon's billing organization.

169. Second, when Verizon does transmit electronic bills to CLECs (such as for UNE-P orders they have placed), Verizon does not have a process to verify that the bills have been sent and received. Verizon is therefore unaware when it fails to send the bills or when its transmission fails. It thus believes that the CLEC has received the bill. Verizon therefore blames the CLEC when the CLEC does not pay on time and attempts to impose late charges on the CLEC. This has happened numerous times over the last year, including last month. WorldCom still has not gotten two UNE-P bills that had invoice dates of September 4. When WorldCom finally receives a delayed bill, it has less time to audit the bill and less time to send it in before

the payment is late – if the time for payment has not already passed. If the time for payment has passed and WorldCom is forced to pay the bill late,WorldCom must then spend inordinate time dealing with Verizon billing representatives who threaten to cut off WorldCom service for failure to pay.

170. Third, Verizon continues to lose track of payments that WorldCom has made. On more than 100 occasions, Verizon has lost track of WorldCom payments to it after cashing WorldCom's checks – many of which were payments for millions of dollars. Verizon has accused WorldCom of failing to pay its bills in a timely fashion even though WorldCom had in fact paid the bills. Even after WorldCom provided Verizon with check numbers, dates that Verizon cashed the checks, and other records, Verizon still could not find records of payment. Verizon's failure has forced WorldCom to spend a significant amount of time verifying that payments have in fact been made. It also poses a risk that Verizon will one day erroneously cut off WorldCom service for non-payment. Attachment 10 lists checks for local service that WorldCom wrote to Verizon prior to July that Verizon erroneously claimed it had not received. The problem has continued. In a recent meeting, Verizon again asked for payment on bills that WorldCom had previously paid.

171. Fourth, although WorldCom has repeatedly requested that Verizon bill it between the fourth and tenth day of each month, and Verizon has repeatedly promised that it would do so, Verizon continues to send bills for different services scattered throughout the month. This makes it impossible to efficiently audit and pay bills. In an effort to increase efficiency somewhat, WorldCom waits to pay some of the bills until it has enough to do so